

Section II (Remarks)**A. Response to Claim Rejections Under 35 U.S.C. § 103**

The January 18, 2008 Office Action includes multiple rejections under 35 U.S.C. § 103(a), including:

- a rejection of claims 1, 3, 9-11, 14-18, 22-24, 27, and 30-51 under 35 U.S.C. § 103(a) as being unpatentable for obviousness over U.S. Patent Application Publication No. 2004/0224638 to Fadell (“Fadell”) in view of U.S. Patent Application Publication No. 2002/002039 to Qureshey (“Qureshey”) and U.S. Patent Application Publication No. 2005/0047071 to Tse Chun Hin (“Tse Chun Hin”);
- a rejection of claims 4, 5, 19, and 20 under 35 U.S.C. § 103(a) as being unpatentable for obviousness over Fadell in view of Qureshey and Tse Chun Hin, and further in view of U.S. Patent Application Publication No. 2002/0106993 to Shealtiel (“Shealtiel”);
- a rejection of claims 6 and 21 under 35 U.S.C. § 103(a) as being unpatentable for obviousness over Fadell in view of Qureshey and Tse Chun Hin and Shealtiel, and further in view of U.S. Patent Application Publication No. 2002/0086703 to Dimenstein (“Dimenstein”);
- a rejection of claims 52-60 and 62-68 under 35 U.S.C. § 103(a) as being unpatentable for obviousness over Fadell in view of Qureshey; and
- a rejection of claim 61 under 35 U.S.C. § 103(a) as being unpatentable for obviousness over Fadell in view of Qureshey as applied to claim 52, and further in view of Dimenstein.

Such rejections are traversed.

1. Law Regarding Obviousness

To support a rejection under 35 U.S.C. 103, **the prior art reference(s) must teach all of the limitations of the claims.** MPEP § 2143.03.

In considering a reference for its effect on patentability, the reference is required to be considered in its entirety, including portions that teach away from the invention under consideration. Simply stated, the prior art must be considered as a whole. *W.L. Gore &*

Associates, Inc. v. Garlock, Inc., 721 F.2d 1540, 220 USPQ 303 (Fed. Cir. 1983), *cert. denied*, 469 U.S. 851 (1984) (emphasis added); MPEP § 2141.02. “It is impermissible within the framework of section 103 to pick and choose from any one reference only so much of it as will support a given position, to the exclusion of other parts necessary to the full appreciation of what such reference fairly suggests to one of ordinary skill in the art.” *Application of Wesslau*, 353 F.2d 238, 241 (C.C.P.A. 1965); *Bausch & Lomb, Inc. v. Barnes-Hind/Hydrocurve*, 796 F.2d 443, 448 (Fed. Cir. 1986), *cert. denied*, 484 U.S. 823 (1987).

According to the recent U.S. Supreme Court decision in *KSR International Co. v. Teleflex Inc.*, 127 S.Ct 1727, 167 L.Ed.2d 705, 82 USPQ2d 1385 (April 30, 2007), the court did not disavow the previous “teaching, motivation or suggestion” or “TSM” test, but stated that such TSM text *should not be strictly applied* in determining obviousness. In connection with this point, the Supreme Court stated that:

“A patent composed of several elements is not proved obvious merely by demonstrating that each element was, independently, known in the prior art. ... [Rather], it can be important to identify a reason that would have prompted a person of ordinary skill in the relevant art to combine the [prior art] elements in the manner claimed.” *KSR*, 82 USPQ2d at 1389.

It is fundamental to a proper rejection of claims under 35 U.S.C. § 103 that an examiner must present a convincing line of reasoning supporting the rejection. MPEP 2144 (“Sources of Rationale Supporting a Rejection Under 35 U.S.C. 103”), citing *Ex parte Clapp*, 227 USPQ 972 (Bd. Pat. App. & Inter. 1985). The Supreme Court in *KSR* affirmed the validity of such approach, stating that **“there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness.”** *KSR*, 82 USPQ2d at 1396.

In *KSR*, the Supreme Court further confirmed that references that teach away from the invention are evidence of the non-obviousness of a claimed invention, (*KSR*, 82 USPQ2d at 1395, 1399) and reaffirmed the principle that a factfinder judging patentability “should be aware, of course, of the distortion caused by hindsight bias and must be cautious of arguments reliant upon *ex post* reasoning.”

1. Disclosure of Fadell Relative to Applicant's Claims

Applicant agrees with the Examiner's statements that:

- (1) Fadell discloses an audio player adapted for use with a portable digital media player, and including a main body portion having docking cavity adapted to receive the portable digital media player, with at least one speaker associated with the main body portion and operable to output audible signals, and
- (2) Fadell does NOT disclose (i) an FM receiver adapted to receive audio-containing radio signals from radio stations, or (ii) the FM receiver having any of an associated frequency indicator and a frequency tuning control disposed on the main body portion.

(January 18, 2008 Office Action, page 6.)

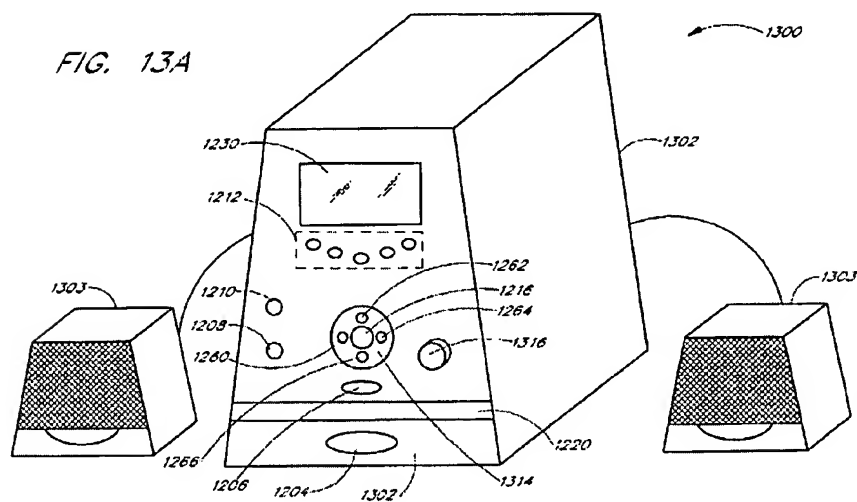
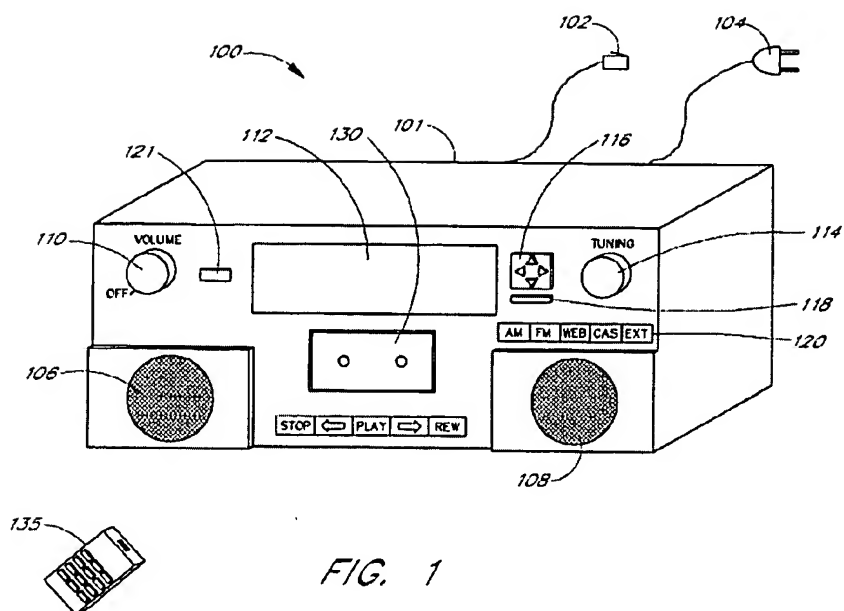
It is further noted that Fadell's disclosure broadly relates to the following separate aspects:

- (A) a docking station that allows a handheld media (e.g., MP3) player to communicate with other media devices;
- (B) a wireless media player system including a handheld media player capable of transmitting information over a wireless connection, and one of more media devices capable of receiving information over the wireless connection; and
- (C) a method of wirelessly transmitting media from a handheld media player to another device; and
- (D) a connector including a housing and a plurality of spatially separated contacts, such as to communicate with a handheld media player.

(E.g., Fadell, Abstract & ¶¶ [0005]-[0011], [0042], [0043].)

2. Disclosure of Qureshey Relative to Applicant's Claims

Qureshey, which is entitled "Network-Enabled Audio Device," discloses an audio device consistent in character with conventional stereo receivers, but with the addition of network capabilities to enable reception of Internet (Web) radio and similar network-reliant media. Qureshey's audio device includes optional FM radio reception utility. Examples of such devices are provided in FIGS. 1 and 13A of Qureshey, as reproduced below.



In each embodiment, Qureshey requires a wired AC power input and a network connection means – such as a phone line/modem, Ethernet port, cable TV input, and/or satellite network connection. See, e.g., Qureshey, ¶¶ [0005], [0014], [0016], [0020], [0077] to [0082], [0112], [0130], [0136], [0154]. As Qureshey's device requires alternating current input power, and each embodiment is directed to a fixed system, nothing in Qureshey's disclosure suggests any mobile use.

Qureshey further discloses use of a data storage medium within the network-enabled audio device, with such storage device being useful, for example, to store digitized audio material such as recorded Web radio broadcasts and CD-audio. See, e.g., Qureshey, ¶¶ [0009], [0012], [0018], [0060] to [0064], [0081], [0109], [0113], [0138]. As Qureshey provides for on-board storage of digitized audio material in a network-enabled audio device, Qureshey has no need for a docking station adapted to receive a portable MP3 player so as to audibly reproduce audio files played from a storage medium of such a portable MP3 player.

3. Disclosure of Tse Chun Hin Relative to Applicant's Claims

Tse Chun Hin discloses an audio player assembly having an integral FM transmitter, charging element matable to a vehicle cigarette lighter adapter, and a modular docking unit for receiving an MP3 player, with the modular docking unit including a frequency tuning control for adjusting the transmission frequency of the FM transmitter. Such device is useful to broadcast via FM transmission audio signals played by a docked MP3 player to permit such signals to be audibly reproduced via the speakers of a car stereo system.

Nothing in Tse Chun Hin, however, teaches or suggests a docking cavity integrated into the body of an audio player having a FM receiver and at least one speaker, and selectively operable with the FM receiver and the portable digital media player.

4. Disclosure of Shealtiel Relative to Applicant's Claims

Shealtiel, entitled "Module Specific Interface for Cellular Phones," has been cited as disclosing a docking unit including at least one indicator light indicative of the operational state of the unit. January 18, 2008 Office Action, page 5. Shealtiel discloses a system for connecting between at least one radio communication receiver and at least one conventional telephone.

Nothing in Shealtiel, however, teaches or suggests a docking cavity integrated into the body of an audio player having a FM receiver and at least one speaker, and selectively operable with the FM receiver and the portable digital media player.

5. Disclosure of Dimenstein Relative to Applicant's Claims

Dimenstein discloses a mobile computing device docking station including an indicator light indicating the charging status of a battery in a communication device docked thereto.

Nothing in Dimenstein, however, teaches or suggests a docking cavity integrated into the body of an audio player having a FM receiver and at least one speaker, and selectively operable with the FM receiver and the portable digital media player.

6. Patentable Distinctions of Independent Claims 1, 17, and 52 Over Fadell, Qureshey, and Tse Chun Hin

Independent claims 1, 17, and 52 are reproduced below:

1. An audio player assembly comprising:
 - (a) an MP3 player; and
 - (b) an audio player unit comprising at least one speaker, an FM receiver operatively coupleable with the speaker, and a modular docking unit having a main body portion with a docking cavity therein for docking said MP3 player, wherein said audio player unit is operatively connected with the MP3 player for receiving an audio signal produced by the MP3 player and for outputting a corresponding audible signal through the at least one speaker, wherein the modular docking unit further comprises any of a frequency indicator on the main body portion and a frequency tuning control on the main body portion.

17. An audio player adapted for use with an MP3 player, the audio player comprising:
 - (a) a modular docking unit having a main body portion with a docking cavity therein for docking the MP3 player, and having an associated FM receiver with any of a frequency indicator on the main body portion and a frequency tuning control on the main body portion;
 - (b) a communicating element associated with the main body portion and adapted to communicate audio signals produced by said MP3 player to the audio player; and
 - (c) at least one speaker for outputting audible signals corresponding to audio signals received from any of the FM receiver and the MP3 player.

52. An audio player adapted for use with a portable digital media player having a storage medium adapted to receive and store digital media files, the audio player comprising:

a main body portion having a docking cavity adapted to receive said portable digital media player, wherein the docking cavity includes therein an electrical coupling element adapted to engage the portable digital media player when the portable digital media player is received by the docking cavity;

an FM receiver adapted to receive audio-containing radio signals from radio stations, the FM receiver having an associated frequency indicator disposed on the main body portion and a frequency tuning control disposed on the main body portion; and

at least one speaker associated with the main body portion and selectively operable with (1) the FM receiver, and (2) the portable digital media player when received by the docking cavity, to output audible signals.

With respect to the foregoing independent claims, the examiner has admitted that Fadell fails to disclose (i) an FM receiver operative coupleable with a speaker; and (ii) a modular docking unit comprising any of a frequency indicator on the main body portion and a frequency tuning control on the main body portion. (January 18, 2008 Office Action, pages 2, 6.)

The examiner correctly states that Qureshey discloses a FM radio receiver adapted to receive audio-containing radio signals transmitted from radio stations, together with a frequency indicator and frequency tuning control. (January 18, 2008 Office Action, pages 3, 7.)

(a) The Reason Suggested to Support the Obviousness Rejections of Claims 1, 17, and 52 is Ignores Simpler, Pre-Existing Solutions Known in the Art at the Time the Instant Application Was Filed

The reason advanced by the examiner as to why one skilled in the art at the time the invention was made would purportedly combine the disclosures of Fadell and Qureshey (i.e., together with Tse Chun Hin as to claims 1 and 17) to yield the subject matter of claims 1, 17, and 52 is that addition of Qureshey's FM radio receiver would "allow users to enjoy FM audio signals broadcasted from FM radio stations." (January 18, 2008 Office Action, page 3.)

The foregoing reason advanced by the examiner ignores the knowledge in the art at the time the invention was made of MP3 players having integral FM radio receivers adapted to receive signals broadcasted from FM radio stations. **Numerous MP3 players having integral FM radio tuners to provide FM radio reception utility were disclosed and commercially available well before the February 17, 2004 filing date of the instant application (examples**

such players are provided in the footnotes hereof, with accompanying evidentiary documents contained in the accompanying Information Disclosure Statement (IDS)¹). As numerous MP3 players having integral FM radio tuning capability already existed at the time the present application was filed, the rationale advanced by the examiner for hypothetically combining Fadell and Qureshey Qureshey (i.e., together with Tse Chun Hin as to claims 1 and 17) to yield the subject matter of claims 1, 17, and 52 lacks merit. A user seeking “to enjoy FM audio signals broadcasted from FM radio stations” would be presumed to select a commercially available MP3 player having an integral FM radio tuner. The examiner’s hypothetical modification of Fadell to include Qureshey’s FM radio receiver would involve many times more difficulty and expense than merely adopting a commercially available solution to the same problem posited by the examiner.

In view of the pre-existing solution (i.e., MP3 player with integral FM tuner) to the same problem posited by the examiner, it strains logic to suggest that a person of ordinary skill would ignore such solution in favor of adopting the substantially more difficult and expensive solution embodied in Applicant’s claims. In this regard, the examiner is reminded of the following directive of the Supreme Court:

“A patent composed of several elements is not proved obvious merely by demonstrating that each element was, independently, known in the prior art. ... [Rather], it can be important to identify a reason that would have prompted a person of ordinary skill in the relevant art to combine the [prior art] elements in the manner claimed.” *KSR*, 82 USPQ2d at 1389.

As the reason advanced by the examiner would not have prompted a person of ordinary skill in the art to combine various elements of Fadell and Qureshey in the manner claimed, the rejections of claims 1, 17, and 52 under 35 U.S.C. 103 based on such combination of references are unportable.

¹ E.g., [1] **Archos Jukebox FM Recorder 20** (available at least as early as March 2003 according to <http://www.sudhian.com/index.php?articles/show/339>; see document reproduced in IDS filed herewith); [2] **Creative Nomad Jukebox Zen** (available at least as early as March 2003 according to http://www.sudhian.com/index.php?articles/show/Battle_of_the_MP3_Players_-_Archos_vs._Creative/jukebox_zen; see document reproduced in IDS filed herewith); and [3] **iAudio CW200 MP3 player** (available at least as early as February 2003 according to http://the-gadgeteer.com/review/iaudio_cw200_mp3_player_review; see document reproduced in IDS filed herewith).

It is further noted that Qureshey discloses an audio device having on-board storage of digitized audio material in a network-enabled audio device (e.g., Qureshey, ¶¶ [0009], [0012], [0018], [0060] to [0064], [0081], [0109], [0113], [0138]); accordingly, Qureshey has no need for a docking station adapted to receive a portable MP3 player to audibly reproduce audio files played by such device. In this regard, one skilled in the art would not seek to modify a device according to Qureshey to include the docking station of Fadell.

The disclosure of Tse Chun Hin does not remedy the deficiencies in the disclosures of Fadell and Qureshey with respect to claims 1 and 17 in this regard. Tse Chun Hin is directed to a car adapter device including a FM transmitter, not an FM receiver as recited in Applicant's independent claims 1 and 17. As a result, addition of Tse Chun Hin to the combination of Fadell and Qureshey fails to support a *prima facie* case of obviousness of independent claims 1 and 17.

(b) Objective or 'Secondary' Considerations of Non-Obviousness Support Applicant's Position That the Instant Claims Were Not Obvious at the Time the Instant Application Was Filed

Objective (or "secondary") considerations of non-obviousness further support Applicant's position that the pending claims would not have been obvious at the time the invention was made.

i. Commercial Success

The theory underlying the use of commercial success doctrine as a secondary consideration of non-obviousness is that an invention enjoys commercial success due to the existence of a need for the invention; accordingly, an invention supported by strong commercial must be patentable, since the corresponding need would have been filled by others at much earlier date if the solution were merely obvious. *E.g., Pacific Technica Corporation v. United States*, 217 USPQ 621 (Cl. Ct. 1983)

Applicant agrees with the premises stated by the examiner that (i) a nexus must be established between the claimed invention and evidence of commercial success, and (ii) that the evidence provided must be commensurate with the scope of the claims. (January 18, 2008 Office Action, page 10.)

In attempting to refute Applicant's evidence regarding commercial success, the examiner **mistakenly** alleges that:

- (1) "the IBOOM boom box does not have a FM radio receiver as recited in claims 1, 17, and 52," and
- (2) "[t]he IBOOM boom box does not have a frequency tuning control and a frequency indicator located in the modular docking unit as recited in claims 1 and 17."

(January 17, 2008 Office Action, page 11.) Both of these allegations are flawed.

With regard to allegation (1) above, Paragraph 3 of the (First) Declaration of Jeff Grady filed on December 22, 2006 clearly provides the IBOOM® boombox² includes an FM radio frequency receiver; such paragraph is reproduced below for the examiner's convenience.

3. In 2004, Netalog introduced the IBOOM® boombox, which is an audio player assembly embodying the four features identified above and embodying the elements of at least some of the claims pending in the present application. A photograph of Netalog's IBOOM® boombox having an Apple iPod® docked thereto is provided in **Exhibit A**. Such boombox clearly includes (1) a main body portion with a docking cavity for docking a MP3 player or portable digital media player; (2) multiple speakers; (3) a radio frequency receiver (*see* "FM" button with up and down "Tune" control buttons, plus digital frequency display showing "102.9" frequency); and (4) frequency tuning control (up and down "Tune" control buttons) and frequency indicator (digital display showing "102.9" frequency).

Furthermore, a photograph of Netalog's IBOOM® boombox³ as sold between 2004 and 2006 is provided below.

² *I.e.*, the IBOOM boombox sold by Netalog, Inc., which does business as "Digital Lifestyle Outfitters" or "DLO." (First) Declaration of Jeff Grady filed on December 22, 2006, ¶ 1.

³ Source: http://www.theregister.co.uk/2004/11/24/ipod_accessory_update/.



Such photograph shows a frequency indicator showing “102.9,” corresponding to 102.9 MHz on the FM radio dial, and further shows “FM,” TUNE (up arrow), and TUNE (down arrow) buttons below such frequency indicator to enable FM radio mode selection and FM frequency tuning adjustment.

Based on the foregoing evidence, the examiner is respectfully requested to acknowledge his mistake in alleging that “*the IBOOM boom box does not have a FM radio receiver as recited in claims 1, 17, and 52,*” and to affirmative acknowledge that the IBOOM boom box does, in fact, include a FM radio receiver.

With respect to allegation (2) above, it is noted that such allegation (namely, “[t]he IBOOM boom box does not have a frequency tuning control and a frequency indicator located in the modular docking unit”) does not correspond to the language of the claims. The pertinent portions of claims 1 and 17 are reproduced below. .

1. ... a modular docking unit having a main body portion with a docking cavity therein ... wherein the modular docking unit further comprises **any of** a frequency indicator on the main body portion and a frequency tuning control on the main body portion.

17. ... a modular docking unit having a main body portion with a docking cavity therein for docking the MP3 player, and having an associated FM receiver with **any of** a frequency indicator on the main body portion and a frequency tuning control on the main body portion;

In particular, Applicant suggests that the examiner has ignored the term “any of” in the foregoing claims, and instead has mistakenly construed such term as “both.”

The term “any” is commonly understood to mean “one, some, or all indiscriminately of whatever quantity.” See Merriam-Webster’s Online Dictionary at <http://www.merriam-webster.com/dictionary/any>.

Applicant’s use of the phrase “**any of** a frequency indicator on the main body portion and a frequency tuning control on the main body portion” includes **either or both** of (i) a frequency indicator on the main body portion, and (ii) a frequency tuning control on the main body portion. Referring to the photograph reproduced hereinabove (with a portion thereof magnified below), the IBOOM® boombox clearly DOES embody a frequency indicator disposed on the main body portion of the modular docking cavity having a docking cavity therein.



Based on the foregoing evidence, the examiner is respectfully requested to acknowledge that his mistaken characterization of claims 1 and 17, and to affirmatively acknowledge that the IBOOM® boom box does, in fact, include “a frequency indicator on the main body portion” as recited in claims 1 and 17.

As a result, the examiner is further requested to admit that the IBOOM® boom box embodies features commensurate with the claims (e.g., at least independent claims 1, 17, and 52) of the instant application.

In support of a nexus between the claimed invention and evidence of commercial success, Applicant points out that **numerous product reviewers and consumers have specifically identified the presence of an FM receiver in the IBOOM® boom box as a critical feature** supporting purchase of the product. Examples of online reviews and testimonials attesting to such fact are cited in the enclosed Supplemental Information Disclosure Statement, with relevant excerpts being reproduced below.

(1) <http://www.soundandvisionmag.com/audioaccessories/1071>

Photos By Tony Cordoza • July 2005
Minisystems by Al Griffin

* * *

DLO iBoom (\$150) A boombox for the iPod era, **DLO's iBoom has something that's lacking in the other minisystems here: an FM tuner.** The tuner controls, including two station-preset buttons, are on the front panel along with an LED display and a volume knob. An iPod mini or any iPod with a docking connector can be plugged into the front dock, and you can also connect devices like a CD player to a minijack on the iBoom's side. Portability is a must for any boombox, and by loading six D batteries and grabbing the iBoom's carrying handle, you can take your tunes with you. Unfortunately, the battery compartment also houses the power cord, forcing you to remove the cover to plug in the iBoom.



The iBoom lacked bass, but its highs were crisp and its midrange relatively clear. However, unlike the monster-size boxes of the early 1980s — the boombox glory days — the iBoom couldn't play loud without sounding raspy and distorted. Listening to the Stones' "Emotional Rescue" (talk about the '80s!) while slicing carrots in my kitchen, I kept reaching to lower the volume. But when five o'clock rolled around and it was time to listen to NPR, **I was sure happy about the iBoom's tuner.**

(2) <http://www.macobserver.com/columns/rantsandraves/2005/20050819.shtml>

Weekend Update(s): PlayDock MP3 & Isolator Earphones

by Bob "Dr. Mac" LeVitus

Episode 44

August 19th, 2005

* * *

Of course when it comes to speakers (or earphones for that matter), it's all about the sound and the PlayDock MP3 doesn't disappoint. With its powered subwoofer and three-speaker design, it sounds bigger and better than you'd expect. Comparing it to other systems, the Bose SoundDock sounded slightly better though the difference wasn't huge, while the DLO iBoom and Altec Lansing inMotion iM3 didn't even come close to the sound quality of PlayDock MP3.

Moving right along, here are some observations to help you decide which system is right for you:

- If you want the very best sound and don't care about portability, choose the Klipsch iFi (1st choice) or Bose SoundDock (2nd choice).
- **If you want an integrated FM radio, choose the DLO iBoom.**
- If you can't live without a remote control, choose the Klipsch iFi or Bose SoundDock (non-portable) or Altec Lansing inMotion iM3 (portable).
- If you want a built-in rechargeable battery, your only choice is the PlayDock MP3.

(3) http://reviews.cnet.com/portable-audio-devices/dlo-iboom/4505-6450_7-31232865.html

DLO iBoom

- CNET EDITORS' RATING 7.7/10 Very good
- AVERAGE USER RATING from 9 users 4.7/10 Mediocre

PRODUCT SUMMARY

The good: Tough construction; **FM radio**; powered by AC (which also charges your iPod) or battery.

The bad: Sound isn't huge; FM reception could be better.

The bottom line: For picnics, trips to the beach, or stereoless parties, the iBoom brings the tunes.

Specs: Device type: Boombox; Tuner bands: FM; Amplifier total output power: 40 Watt

CNET editors' review

- Reviewed by: Eliot Van Buskirk
- Edited by: Jasmine France
- Reviewed on: 12/20/2004

The accessories market for the iPod has exploded, as evidenced by the legions of white devices made by third-party manufacturers to add functionality to Apple's market-leading iPod. But Digital Lifestyle Outfitters' \$150 **iBoom** is the first we've seen that turns the any dockable iPod (white or Mini) into a boombox.

* * *

A digital FM tuner can pull in terrestrial stations when you're sick of your own tunes or if you want to check the news or sports scores.

There's no antenna, so we weren't too surprised that the radio was fuzzy on most stations, but at least you get two presets for your strongest stations

(4) http://reviews.cnet.com/portable-audio-devices/dlo-iboom/4864-6450_7-31232865.html?messageID=1251437

USER OPINIONS

for **DLO iBoom**

USER RATING 7/10 Very good

USER SUMMARY

"Perfect device for the beach or a small party."

by [pclookout \(see profile\)](#) - June 18, 2005

Pros: Very portable, compact design.

Cons: Sensitive volume, poorly designed AC powercord/battery compartment.

10 out of 10 users found this opinion helpful

FULL USER OPINION

I was specifically looking for a portable boombox with an FM radio for my newly purchased iPod. I was surprised the iBoom was the only truly portable device out there with an FM radio. After reading a few reviews, I was a little hesitant to purchase the iBoom, but I really wanted an FM radio built in, so I decided to go for it. I'm glad I did! The reviews said the sound quality was poor and the construction is cheap. I've had the iBoom for a couple of weeks and have used it frequently. The iBoom is great for going to the beach or for a small party. The sound and volume of the speakers is adequate. If you want high quality sound, I would highly recommend the JBL on stage unit, but that is not battery powered. I've been satisfied the the FM reception so far. I love the compact design of the iBoom, and the handle works well because the iBoom is so small. The device is plastic, but is pretty durable. There are two major things that are disappointing with the iBoom. The volume control is a little touchy, you cannot get the volume down to a soft level. If you try, it will cut to one speaker, then the volume will turn off. I also cannot figure out the design of the battery and AC powercord compartment. When you load the compartment with batteries, you do not have room to store the AC powercord, you have to stick the cord out of the side of the compartment to close the cover. Overall, the iBoom provided me with exactly what I was looking for in a portable device. I would like to see the price go under \$100. It's a little too steep with all of the shortcomings it does have.

(5) <http://reviews.pricegrabber.com/portable-device-accessories/m/6335024/>

Date Reviewed: Sep 20, 2005
 boomshockalockaboom from CA
 Member Since: Sep 2005
 View Member's Reviews: Save your Money
Strengths: FM Radio
 Weaknesses: Everything else

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Date Reviewed: Nov 4, 2005
 wigglydoo
 Member Since: Nov 2005
 View Member's Reviews: iBoom - Hit or Miss
Strengths: Sound quality at higher volume, **FM receiver is a good addition** to the iPod, portable, integrated handle
 Weaknesses: Low volume control is an issue, only two (!) station presets, loose antennae in first unit

* * *

Date Reviewed: Sep 6, 2005
 JadesFire
 Member Since: Sep 2005
 View Member's Reviews:
 Product Experience: 1 Weeks Great Deal
 Strengths: Easy to use, great sound
 Weaknesses: A remote would have been nice

Summary: It's very easy to set up and I like that it works on both AC and battery power so that it's portable (the handle makes it easy to carry) but you can save on batteries when at home. It also charged the iPod so it's ready to go. The sound is fabulous; I really wasn't expecting it to be this good for a little system. **The FM radio is a nice touch.**

(Emphasis added in each example.)

The foregoing excerpts embody attestations by multiple reviewers and consumers that presence of an integrated FM radio tuner / receiver represents a critical feature specifically affecting the commercial desirability of in the IBOOM® product, within a time frame overlapping the 2005-2006 two year period referenced in paragraph 4 of the Declaration of Jeff Grady filed on December 22, 2006. Inventor and Netalog founder Jeff Grady previously attested⁴ that such features were not embodied in other products commercially available at the time the present application was filed, in that he was “not aware of any other audio assembly antedating either (1) the filing of the present application or (2) Netalog’s introduction of the IBOOM boombox, and embodying the four features [of (i) a main body portion with a docking cavity for docking a MP3 player, (ii) multiple speakers, (iii) a radio frequency receiver, and (iv) frequency tuning control and/or frequency indicator].” Mr. Grady’s statements are consistent with characterizations of the art made by the foregoing reviewers and consumers, who indicated variously that:

- *“DLO’s iBoom has something that’s lacking in the other minisystems here: an FM tuner;”*⁵
- *“If you want an integrated FM radio, choose the DLO iBoom;”*⁶ and
- *“... the iBoom was the only truly portable device out there with an FM radio.”*⁷

⁴ I.e., in the (First) Declaration of Jeff Grady filed on December 22, 2006, at paragraphs 3 and 6 thereof.

⁵ Source: <http://www.soundandvisionmag.com/audioaccessories/1071>.

⁶ Source: <http://www.macobserver.com/columns/rantsandraves/2005/20050819.shtml>.

⁷ Source: http://reviews.cnet.com/portable-audio-devices/dlo-iboom/4864-6450_7-31232865.html?messageID=1251437.

The foregoing evidence demonstrates the existence of a nexus between features of the claimed invention (e.g., as embodied in independent claims 1, 17, and 52) and commercial success of the IBOOM® product.

In the January 18, 2008 Office Action, the examiner cites *Ex parte Standish*, 10 USPQ2d 1454 (BPAI 1988) as stating that “gross sales figures do not show commercial success absent evidence as to what sales would normally be expected in the market.” (January 18, 2008 Office Action, page 10.) In fact, the relevant portion of *Ex parte Standish* states:

The affidavit statement does not reflect the time period during which the lures were sold or the average number of product sales per unit of time which would normally be expected in the market place under consideration. Accordingly, we cannot determine whether appellant's lure, in fact, has been commercially successful. Further, the inventor's statement that his commercial lure is “constructed according to the disclosure and claims of my patent application” does not constitute probative evidence that the lure which has been sold corresponds to the lure defined by the appealed claims or that whatever commercial success may have occurred is attributable to the construction defined by the appealed claims.

10 USPQ2d at 1458. Thus, multiple grounds existed in *Ex parte Standish* to reject applicant's evidence of commercial success. While the Board in that case suggests that it would have been helpful for the applicant to have provided evidence of normally expected sales, the Board did NOT go so far as to require such evidence to be presented to establish commercial success as an objective or secondary consideration of non-obviousness of a claimed invention. Indeed, any purported standard that would require such hypothetical evidence would automatically prejudice the seller of a truly revolutionary product for which no “normal expectation” of sales could be established.

To further rebut the examiner's assertion that gross sales figures cannot show commercial success absent evidence of normally expected sales in the market, the examiner is pointed to *In re Felton*, 179 USPQ 295 (C.C.P.A. 1973), in which the predecessor court to the Federal Circuit reversed the obviousness decision of the Board of Patent Appeals and Interferences, and specifically accepted as proper evidence of commercial success affidavits establishing the

quantity, time period, and dollar value of product sales corresponding to a claimed invention – apparently without any discussion of ‘normal expectation’ of sales or relative market share.⁸

With respect to market share, Applicant maintains that it had a 100% market share for products within the scope of the present claims at the time the IBOOM® boombox product was introduced.⁹ This is supported by Mr. Grady’s statement that he was unaware of any other product embodying the features of the pending claims¹⁰, and further supported by characterizations of the art made by the foregoing reviewers and consumers, who indicated at various times in 2005 that:

- *“DLO’s iBoom has something that’s lacking in the other minisystems here: an FM tuner;”*¹¹
- *“If you want an integrated FM radio, choose the DLO iBoom;”*¹² and
- *“... the iBoom was the only truly portable device out there with an FM radio.”*¹³

⁸ See *In re Felton*, 179 USPQ at 299:

“The evidence of commercial success offered in this case is for the most part embodied in three affidavits. These affidavits were executed by officials of the health departments of Maryland, Pennsylvania, and Utah. The thrust of their averments is that their organizations have adopted the claimed device, marketed under the trademark “Dispenstir” as a part of a serological testing kit, in preference to the rubber bulb-capillary tube technique. The affidavits allege that the new device is more rapid (about twice as fast) and more accurate than the procedure they had been using. This meant that labor costs were significantly reduced.

Two other affidavits were executed by an employee of the distributor of Dispenstirs. These affidavits indicate that the health departments of New York City and the State of Colorado, the Provincial Laboratory in Edmonton, Alberta and two Army hospitals have also switched to Dispenstirs. The affidavits also indicate that there is significant demand for Dispenstirs sold separately from the kits. In them it is also **alleged that more than 11,000,000 Dispenstirs were sold between September 1, 1969 and October 19, 1970, most as part of a serological kit, and that sales for that period exceeded \$490,000. We are convinced that appellant has demonstrated that the success achieved by his invention has grown out of the advantages flowing from its use as recognized by those skilled in the art and is, therefore, relevant to the question of obviousness.”**

⁹ Mr. Grady is well-qualified to opine about the status of competing products, given that he has conducted extensive market research and business development efforts relating to accessories for such devices. Second Declaration of Jeff Grady in Support of U.S. Patent Application No. 10/780,329 filed on April 24, 2007.

¹⁰ (First) Declaration of Jeff Grady filed on December 22, 2006, paragraph 5.

¹¹ Source: <http://www.soundandvisionmag.com/audioaccessories/1071>.

Between mid-2005 and late 2006, however, a large number of third parties released products embodying features within the scope of at least some of the claims pending in the instant application. As a result, market share of the IBOOM® boombox product necessarily dropped well below 100% during this period. Applicant has never stated or implied that it maintained a 100% market share for products within the scope of the claims pending in the application throughout 2006, despite suggestions to the contrary in the January 18, 2008 Office Action at page 10 thereof.

Based on the sufficiency in at least one prior case¹⁴ of evidence establishing only the quantity, time period, and dollar value of product sales corresponding to a claimed invention – apparently without any information regarding market share – Applicant submits that the examiners refusal to consider evidence of commercial success “absent evidence of market share” (January 18, 2008 Office Action, page 10) is misplaced.

Based on the foregoing discussion of *In re Standish* and *In re Felton*, the examiner is requested to consider the evidence already made of record that Netalog has sold more than 85,000 units of the IBOOM® boombox within two years, with an aggregate sales revenue of \$8.5 million¹⁵, and properly consider same as evidence of commercial success of products having a clear nexus to the invention as presently claimed (e.g., in independent claims 1, 17, and 52).

ii. Copying

As noted previously, at least **nineteen (19) products** reading on at least some of the claims of the present application have been introduced by third parties, with such third party product introductions believed by Applicant to post-date Applicant’s filing of the present application and

¹² Source: <http://www.macoserver.com/columns/rantsandraves/2005/20050819.shtml>.

¹³ Source: http://reviews.cnet.com/portable-audio-devices/dlo-iboom/4864-6450_7-31232865.html?messageID=1251437.

¹⁴ *In re Felton*, 179 USPQ 295 (C.C.P.A. 1973).

¹⁵ (First) Declaration of Jeff Grady filed on December 22, 2006, paragraph 3.

Applicant's public release of the IBOOM® boombox. ((First) Declaration of Jeff Grady filed on December 22, 2006, ¶¶ 6-26 & Exhibits B-U.)

While Applicant has no *direct* evidence (e.g., testimony or other admissions) that third parties have copied Applicant's IBOOM® boombox, the following items support an inference that copying has taken place: (1) timing of the third party product releases well after Netalog's public disclosure of the claimed subject matter embodied in the IBOOM® boombox; (2) close correspondence between the essential features of the nineteen third party products and the subject matter as currently claimed in the present application and Netalog's IBOOM® boombox; and (3) the huge number of competing products on the market - which suggests it is unlikely that so many would-be 'inventors' independently developed around the same time the very same combination of features embodied in the IBOOM® boombox and claimed in the current application.

Access to disclosure of an invention taken in combination with similarity between a competing product and the invention "can create a strong inference of copying." *Cable Electric Products, Inc. v. Genmark, Inc.*, 226 USPQ 881, 888 (Fed. Cir. 1985).

The examiner has ignored Applicant's evidence of copying on multiple bases. First, the examiner criticizes Applicant for admitting that it has no direct evidence of copying. (January 18, 2008 Office Action, page 11.) Such argument ignores the propriety of inferring that copying has taken place given sufficient access to disclosure of an invention and similarity between a competing product and the claimed invention. It is undisputed that Netalog was the first to file a patent application and first to publicly disclose any product within the scope of the currently pending claims. Only thereafter did third party products appear embodying features within the scope of the currently pending claims.

Second, the examiner points to *Cable Electric Products, Inc. v. Genmark, Inc.*, 226 USPQ 881, 888 (Fed. Cir. 1985) as supporting a proposition that "more than the mere fact of copying is necessary to make that action significant because copying may be attributable to other factors such as a lack of concern for patent property or contempt for the patentee's ability to enforce the patent." (January 18, 2008 Office Action, page 11.) Such case was in the context of *inter partes*

litigation with attendant full factual discovery between the parties to flesh out evidence of copying. That context is not analogous to that of the *ex parte* patent prosecution, in which Applicant has no ability whatsoever to compel Netalog's competitors to disgorge evidence of copying of the IBOOM boombox product. Accordingly, Applicant should be able to rely upon third party access to the IBOOM boombox product and similarity between subsequent third party products and the IBOOM boombox product to support an inference of copying (*Cable Electric Products*, 226 USPQ at 888) as relevant to the issue of non-obviousness supported by secondary considerations evidence. Applicant has established sufficient third party access to Netalog's IBOOM boombox, and correspondence between the third party products and the critical features embodied in both the IBOOM boombox and the instant claims, to support a proper inference of copying as supporting non-obviousness of the presently-claimed invention.

iii. Commercial Success by Third Parties

Federal Circuit case law provides that secondary considerations may include success of a potentially infringing product, *i.e.*, a product manufactured by a third party. *Brown & Williamson Tobacco Corp. v. Phillip Morris Inc.*, 229 F.3d 1120, 56 USPQ2d 1456, 1464 (Fed. Cir. 2000)¹⁶.

The examiner has apparently refused to consider such evidence on the premise that "it is believed that Commercial Success by Third Parties is not evidence of secondary considerations ... [since] [i]t is not found in section 716 of the M.P.E.P. (January 18, 2008 Office Action, page 12.) Such premise reflects a lack of understanding of sources of patent law and their hierarchy.

Within the realm of patent law, the following list presents a hierarchy of authority as to who/what trumps whom in descending order:

- U.S. Constitution;
- Congressional Legislation (including Title 35);
- U.S. Supreme Court decisions;
- Court of Appeals for the Federal Circuit decisions (precedential);

¹⁶ See *Brown & Williamson Tobacco Corp. v. Phillip Morris Inc.*, 229 F.3d 1120, 56 USPQ2d 1456, 1464 (Fed. Cir. 2000) (evidence of infringing product in patent infringement action considered in secondary considerations).

- Board of Patent Appeals and Interferences decisions (precedential);
- Agency Rules (37 CFR); and
- Manual of Patent Examining Procedure (which constitutes “guidelines” rather than rules).

Thus, the examiner’s reliance on any lack of discussion of “commercial success by third parties” in Section 716 of the M.P.E.P. is misplaced. Federal Circuit case law relative to this issue is clearly applicable here.

Applicant has previously identified nineteen (19) other products introduced to the market after the filing of the present patent application and after introduction of the IBOOM® boombox to the market. (See Declaration of Jeff Grady filed on December 22, 2006.) While Applicant does not have access to sales figures or market share for such third party products, the fact that so many products embodying the same features (*i.e.*, features within the scope of the present patent claims) have been introduced very close in time to one another provides an irrefutable inference of substantial third party commercial success. Otherwise, so many different products could not coexist in the market and so many different manufacturers would not undertake the risk of selling such products in a competitive marketplace. This is consistent with the theory of commercial success as supporting patentability of an invention, since the corresponding need would have been filled by others at much earlier date if the solution were merely obvious. *E.g.*, *Pacific Technica Corporation v. United States*, 217 USPQ 621 (Cl. Ct. 1983)

The examiner is requested to consider the foregoing evidence of commercial success by third parties as tending to support non-obviousness of Applicant’s currently-pending claims.

7. Patentable Distinctions of Dependent Claims Over the Cited Art

The independent claims have been patentably distinguished over any combination of Fadell, Qureshey, and Tse Chun Hin. The disclosures of Shealtiel and Dimenstein fail to remedy the deficiencies of Fadell, Qureshey, and Tse Chun Hin in teaching all limitations of the independent claims. Because dependent claims inherently include all the features of the claims from which they depend (35 U.S.C. 112), all claims depending (whether directly or indirectly) from claims 1, 17, and 52 are likewise distinguished over the cited art. Accordingly, withdrawal of all

rejections of the currently-pending dependent claims 3-6, 9-11, 14-16, 18-24, 27, 30-51, and 53-68 is warranted, and is respectfully requested.

B. Request for Consideration of Information Disclosure Statement

An Information Disclosure Statement (IDS) including various evidentiary documents referenced in this Response is being filed concurrently herewith. Consideration of the references identified in the IDS together with the instant Response is respectfully requested.

CONCLUSION

Based on the foregoing, all of Applicants' pending claims 1, 3-6, 9-11, 14-24, 27, and 30-68 are patentably distinguished over the art, and in form and condition for allowance. The examiner is requested to favorably consider the foregoing, and to responsively issue a Notice of Allowance. If any issues require further resolution, the examiner is requested to contact the undersigned attorney at (919) 419-9350 to discuss same.

Respectfully submitted,

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